

Board of Education Meeting Recap

The Township High School District 211 Board of Education met on Thursday, October 17, 2013, in the Anne Koller Board Meeting Room at the G.A. McElroy Administration Center. The following is a recap of important items that were acted upon at the meeting.

Approval of Minutes

The Board of Education approved the minutes from its regular meeting on [September 26, 2013](#).

Tax Levy Information

The Board of Education received information on the 2013 Tax Levy. The report presented included information on Cook County property taxes and offered an explanation of the increasingly disproportionate amount of tax burden that has shifted from businesses to residential homeowners over the last several years. While the exact causes of higher tax bills will vary from property to property, the final reassessments indicate that residential property is increasing as a percentage of the overall assessment base which translates to a larger percentage of the overall tax burden falling on residential property owners. This shift in the assessment base from businesses to residential property owners is a direct result from the changes in levels of assessment for the various classes of property and appeals filed at the Cook County Board of Review.

The materials the Board received also included the 2013 Tax Levy Calendar. The final levy amount must be adopted by the Board and filed with the Cook County Clerk before the last Tuesday in December (31st). Based upon this, the levy calendar requires determination of a proposed 2013 levy amount at the November 14, 2013 Board of Education meeting. A public hearing on the proposed 2013 levy and adoption of the 2013 levy will be conducted at the December 12, 2013 meeting.

Since the implementation of the Tax Cap in 1994, District 211 has levied at the aggregate limitation amount allowable in order to generate sufficient revenues to meet increasing operating costs. Historically, the CPI-U average increase has been 2.4%. As a comparison, over the past six years, District 211's total levy extension increase has averaged 2.0% compared to the CPI-U average for this same period of 2.2%. The difference reflects the positive Debt Service levy reduction plan implemented in 2007 that allowed the District to maintain the maximum allowable levy in the aggregate extension by applying a portion of reserve funds to the Debt Service levy. The net result from this strategy has been a lower tax rate for local taxpayers.

Several important factors serve to support the recommendation to levy at the District's aggregate allowable tax levy amount again this year, including accessing the full maturity of the Olde Schaumburg Centre TIF (Tax Increment Financing) as new property after 23 years, and avoiding permanent loss of tax revenue accessibility based on the tax cap formula. The aggregate levy amount is capped in relation to the previous year's amount the District levied. Anytime that a tax levy amount is less than the allowable limitation, the District loses that same amount every year going forward. Absent a change in the current Tax Cap law, District 211 will not be able to access any funds that are not included in the proposed levy. Other factors to consider for levying at the limitation amount include the potential for future legislation that could have the impact of freezing the tax levy amount if a District's total EAV went down, as was the case the past two years. Additionally, anticipation of major pension reform could shift costs for pensions to the District. The District also continues to be hit with tax refunds from previous years. Each of these are important financial planning reasons to levy the allowable limitation amount. Most importantly, however, the loss of these revenues would directly impact the instructional program and opportunities provided students in District 211.

Since 2007, the Board of Education has reduced its Debt Service levy by \$24.3 million by using existing reserve funds to pay an apportionment of outstanding bonds. Currently, District 211 has approximately \$16.6 million of outstanding debt from its 2006 Working Cash Bond issue and 2012/2013 Life Safety Bond issue. The levy reduction plan has been very positive for District taxpayers, lowering the overall tax levy without adversely affecting operating reserves. Given the District's strong financial position, a continuation of the levy reduction plan for 2013 and 2014 is recommended, further lowering the debt service levy from \$5.3 million to \$3.3 million.

Since 2006, District 211 has lowered the debt service levy from \$10.3 million to the proposed \$3.3 million for 2013. With a CPI limitation of 1.7% for 2013, plus the accessible new property of an additional 0.5%, the aggregate levy limitation in all operating fund levies would be 2.2%. However, in an effort to provide tax relief to local taxpayers and to build on the positive levy reduction plan, the additional \$2.0 million of debt service abatement will reduce the overall levy increase from 2.2% to 1.2%.

District 211 maintains a five-year financial projection of revenue and expenditures, and fund balance. Based upon projected fixed and variable conditions for the period 2013-2014 through 2017-2018, the District's financial outlook points toward continued financial strength.

On the basis of this review, it is recommended that the 2013 levy be increased in accordance with the established tax limitation amount of 1.7%, plus access to new property of 0.2%. In addition to the proposed levy increase, a 2-year extension of the debt service reduction plan is recommended. The extended debt service reduction plan will provide for a \$2.0 million decrease in the 2013 and 2014 levy. The debt service levy abatement for 2013 will be included for approval by the Board of Education as part of the levy adoption process at the December 12, 2013 Board meeting. As a result, the

amount that will be recommended as the levy for 2013, excluding the Debt Service levy, is \$208,726,942. This is the amount that is subject to the tax cap limitation and represents an increase of \$4.6 million or 2.2% over the 2012 levy extension. The total recommended tax levy for 2013, including the Debt Service levy and approved abatement, is \$212,187,794. This is an increase of \$2.5 million or 1.2% over the 2012 total levy extension.

The Board will again be presented tax levy information at its next meeting on November 14, 2013 for further review and discussion, and will determine the proposed levy amount for 2013.

The tax levy information presented to the Board of Education is available [here](#). A copy of the tax levy presentation is available [here](#).

Foreign Exchange Trips

The Board approved participation in the following 14 foreign exchange trips for the summer of 2014. (Note: the District reserves the right to cancel any airline travel that it deems unsafe or not in the best interest of District 211.)

<u>School and Program</u>	<u>Destination</u>
<i>Palatine High School</i>	
French	Strasbourg and Paris, France
German	Krefeld, Germany
Spanish	Toledo, Spain
Chinese	Beijing, China
<i>Fremd High School</i>	
French	Strasbourg and Paris, France
German	Berlin and Munich, Germany
<i>Conant High School</i>	
French	Strasbourg and Paris, France
Spanish	Madrid and Barcelona, Spain
<i>Schaumburg High School</i>	
French	Strasbourg and Paris, France
German	Berlin and Munich, Germany
Spanish	Toledo, Spain
<i>Hoffman Estates High School</i>	
French	Strasbourg and Paris, France
German	Berlin and Munich, Germany
Spanish	Toledo, Spain

District and School Improvement Plans for 2013-2014

Illinois School Code, in conjunction with The No Child Left Behind Act of 2001, requires all districts and schools not making adequate yearly progress to implement improvement plans to be monitored by the Illinois State Board of Education (ISBE). In 2010, ISBE moved to a continuous school improvement reporting system known as Rising Star, and District 211 is required to use the Rising Star school improvement system.

In accordance with ISBE requirements, the current District Improvement Plan and each school's improvement plan must be submitted to the Board of Education annually. The Board acknowledged receipt and granted approval of the 2013-2014 District Improvement Plan, and authorized the superintendent to submit the District Improvement Plan and each School Improvement Plan electronically to ISBE.

Additional information on the District and School Improvement Plans is available [here](#) and a copy of the District plan is available [here](#).

School Maintenance Program Grants

In August, the Governor announced that the state is making available \$50 million for the School Maintenance Grant Program, a capital development initiative that matches dollar-for-dollar state and local funds up to \$50,000 for each eligible school district to assist in maintaining facilities. Grant funds may only be used for projects approved by the Illinois State Board of Education and must be expended within two years.

In an effort to build on energy conservation measures, District 211 will apply for eligible grant funds to replace lighting fixtures in school parking lots with new energy-efficient LED fixtures. If approved, installation of the lighting fixtures will be completed by District maintenance staff.

The Board approved the School Maintenance Program Grant as presented and authorized the superintendent to submit the grant application.

Next Board of Education Meeting

The next scheduled regular Board of Education meeting will be held on Thursday, November 14, 2013, beginning at 7:30 p.m. in the Anne Koller Board Meeting Room at the G.A. McElroy Administration Center.